



# ***INSIGHTS***

108<sup>th</sup> Congress

March 24, 2003

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**INSIGHTS** is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of **INSIGHTS** is to provide FEMP management staff with timely information on legislative activities relevant to the program. **INSIGHTS** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

# I. WEEKLY SUMMARY

## CONGRESSIONAL SCHEDULE

### House

This week, House activities include the following topics of interest:

- Committee on the Budget analysis of the FY 2004 Budget Request

### Senate

This week, Senate activities include the following topics of interest:

- Various Committee on Appropriations subcommittee hearings on the FY 2004 Budget Requests for the Departments of the Air Force and Treasury and the National Aeronautic and Space Administration (budget requests including funding for buildings and facilities)
- Committee on the Budget will mark up the Senate version of the FY 2004 Budget Resolution and pass the non-binding bill on to the Senate for consideration, possibly by mid-week

## CONFERENCE COMMITTEES/VOTES

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# II. COMMITTEE ACTIVITY

## HOUSE

### Legislation

***Comprehensive Energy Legislation*** Last week, the Subcommittee on Energy and Air Quality (Committee on Energy and Commerce), under the direction of its chair, Joe Barton (R/TX), marked up *H.R. \_\_\_\_ Energy Policy Act of 2003*. A series of amendments were introduced dealing with opposition to Chairman Barton's electricity restructuring provision supporting the Federal Energy Regulatory Commission (FERC) proposal for a standard market design (SMD); however most of the amendments were either withdrawn or voted down. This provision is expected to remain controversial throughout the bill making process. Specific language is expected to be flushed out at the full committee level. The unnumbered bill is now being prepared for consideration by the full committee; no schedule has been announced for a full committee mark up.

To view the subcommittee bill in its entirety, go to [energycommerce.house.gov/108/markups/03192003/print](http://energycommerce.house.gov/108/markups/03192003/print) and refer to the following sections of interest:

## **Title I – Energy Conservation**

### ➤ **Subtitle A – Federal Leadership in Energy Conservation, Sec. 1001 – Sec. 1010**

### ➤ Subtitle B – Energy Assistance and State Programs Sec. 1023 – **Sec. 1024**

### ➤ Subtitle C – Energy Efficient Products Sec. 1041 – **Sec. 1041** – Sec. 1047

## **Title V – Vehicles and Fuels**

### ➤ Subtitle A – Energy Policy Act Amendments Sec. 5011 – 5014

### ➤ Subtitle B – FreedomCar and Hydrogen Fuel Program Sec. 5021 – Sec. 5030

## **Title VI – DOE Programs**

### ➤ Subtitle A – Energy Efficiency

- Part 1 – Authorization of Appropriations, Sec. 6011
- Part 2 – Lighting Systems, Sec. 6021
- Part 3 – Vehicles, Sec. 6031 – Sec. 6032

### ➤ Subtitle B – Distributed Energy and Electric Energy Systems

- Part I - Authorization of Appropriations, Sec. 6201
- Part 2 – Distributed Power, Sec. 6221 – Sec. 6223
- Part 3 – Transmission Systems, Sec. 6231

### ➤ Subtitle C – Renewable Energy

- Part 1 - Authorization of Appropriations, Sec. 6301
- Part 2 – Bioenergy, Sec. 6321

## **Title VII – Electricity**

### ➤ Subtitle A – Transmission Capacity Sec. 7011 – Sec. 7012

### ➤ Subtitle B – Transmission Operation Sec. 7021 – Sec. 7022

### ➤ Subtitle C – Reliability Sec. 7031

### ➤ Subtitle E – PURPA Amendments Sec. 7061 – Sec. 7062

### ➤ Subtitle F – Renewable Energy Sec. 7071 – Sec. 7074

### ➤ Subtitle G – Market Transparency, Round Trip Trading Prohibition, and Enforcement Sec. 7081 – Sec. 7084

### ➤ Subtitle H – Consumer Protection Sec. 7091 – Sec. 7094

## **Title IX – Automobile Efficiency**

➤ Sec. 9001 – Sec. 9002

***FY 2004 Budget Resolution*** Last week the Committee on the Budget approved a non-binding FY 2004 Budget Resolution totaling \$775.5 billion, which is \$10 billion below the President's request and about \$5 billion below Senate funding level. The final resolution agreed to by the House and Senate will form the basis for funding allocations for the 13 annual appropriations bills.

### **Summary of Hearings**

***Enhancing America's Energy Security*** On March 19, the Committee on Resources heard testimony from experts who provided an overview on the status of the nation's energy resources as well as measures for increasing the nation's energy security through the production of both renewable and nonrenewable resources on Federal lands. Testimony was received from Rebecca Watson, Assistant Secretary for Land and Minerals Management, Department of the Interior; Karl Gawell, Executive Director of the Geothermal Energy Association; Jaime Steve, Legislative Director, American Wind Energy Association; William Carlson, Chairman, USA Biomass Power Producers Alliance; among others. Ms. Watson reported that of the 500 million surface acres of land currently managed by the Department of the Interior, Federal lands and resources account for 30 percent of total domestic energy production, including 48 percent of geothermal production, 20 percent of wind power, and 17 percent of hydropower production. And, while Federal lands provide 75 percent of geothermal electric production, Mr. Gawell said that there are many additional resource-rich Federal areas yet to be developed. He suggested conducting a national resource assessment to identify new resource-rich lands and further increase the level of Federal leasing, permitting, rights-of-way, and environmental reviews by public land management agencies. Mr. Steve praised the Bureau of Land Management (BLM) for the agency's efforts to assess and extract energy resources from Federal lands and asked "that other federal land management entities – such as the U.S. Forest Service and the U.S. Fish and Wildlife Service – build on the successful work of the BLM." According to Mr. Carlson, developing energy from 150 million tons of annually discarded timber has the potential to fuel 10,000 MW of biomass power, doubling current production of the biomass industry. He said the \$80 billion cost to thin Federal forests over the next 20 years could be "reduced to zero. If there was ever a program where environment, energy and economics are all positive, this is it."

***Military Construction and Housing*** On March 18, the Subcommittee on Readiness (Committee on Armed Services) held a hearing on the FY 2004 Budget Request for Army military construction and housing projects. Testimony was received from Raymond DuBois, Jr., Deputy Under Secretary of Defense, Installations and Environment; Mario Fiori, Assistant Secretary of the Army, Installations and Facilities; Larry Lust, Assistant Chief of Staff for Installations Management; Clyde Vaughn, Deputy Director, Army National Guard; and Collis Phillips, Deputy Chief, Army Reserve. Subcommittee Chairman Joel Helfley (R/CO) was doubtful "that military construction and family housing requirements would be met by this budget, the reality is that those requirements will be unmet again this year. Certainly there are a variety of priorities that must be balanced in the national security arena. However, the trend is disappointing and once again, requires Congressional attention." ***The FY 2004 Budget Request is 14 percent less than the previous year's authorized level of \$10.5 billion, but includes \$69.5 million for the Energy Conservation Investment Program, which is a 39 percent increase from the previous year's budget request of \$50 million.***

## SENATE

### Legislation

***Comprehensive Energy Legislation*** The Committee on Energy and Natural Resources plans to begin marking up comprehensive energy legislation in early April. To date, a series of hearings have been scheduled for April 1, 2, 3, 8, 9, and 10. No further details have been provided regarding which provisions will be marked up on which days, but the bill is expected to include 13 titles. Anticipated provisions will address a range of energy efficiency issues, including Federal energy management, standards for new products and buildings, alternative fuels, research and development, hydrogen fuel cells, renewable energy production and accessing renewable resources from Federal lands, state grants programs. A draft of the bill is expected to be released early this week.

Last week, committee chair, Pete Domenici (R/NM) struck a blow to FERC's SMD proposal by introducing a provision to create a Regional Energy Services Commission (RESC). As envisioned by Chairman Domenici, the RECS would provide any state the authority to opt out of the SMD and Regional Transmission Organizations and work instead through a regional organization not under FERC control. In crafting this proposal, the chairman expresses his concern that SMD would provide FERC with too much power over states.

Meanwhile, other committees, such as the Committee on Finance will develop provisions dealing with financial incentives such as tax credits and the Committee on Environment and Public Works will draft provisions dealing with reformulated gasoline and MTBE. Once all relevant committees have marked up and approved language over activities within their jurisdiction, the bills will be combined into one large bill on comprehensive energy legislation for debate on the Senate floor. Current plans call for addressing this bill on the Senate floor before the August Congressional recess.

***Renewable Fuels and Fuel Additives*** On March 20, the Committee on Environment and Public Works heard testimony regarding alternative fuels and fuel additives, and, specifically, the *Fuels Security Act of 2003* (S. 385/H.R. 837). Testimony was received from Jeffrey Holmstead, Assistant Administrator for Air Quality, Environmental Protection Agency; David Garman, Assistant Secretary for Renewable Energy and Energy Efficiency, Department of Energy; Guy Caruso, Director of the Energy Information Administration, Department of Energy; among others representing stakeholder groups. Some panelists expressed support for the biomass and MTBE provisions included within the bill (e.g., establish a renewable fuel standard, eliminate the Federal reformulated gasoline (RFG) requirement, phase down the use of MTBE in the U.S. gasoline market over four years, and enhance air quality gains of the reformulated gasoline program). In contrast, panelists representing petroleum interest groups argued that such provisions would result in an economic burden for petroleum manufacturers and hinder the ability to adapt to changing market conditions. Mr. Garman calculated that 500-600 million tons of biomass residue and waste generated per year, according to the Oak Ridge National Laboratory, may produce "on an annual basis, as much as 40 million tons of hydrogen - enough to power 100 million fuel cell vehicles." Mr. Garman referred to the Biomass Research and Development Technical Advisory Committee's *Roadmap for Biomass Technologies in the United States*, which established the goal of deriving 20 percent of domestic transportation fuel from biobased sources by 2030. Mr. Holmstead said that emission reductions resulting from implementation of the RFG program equates to removing 16 million cars from highways.

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## IV. NEW LEGISLATION

*(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)*

### HOUSE

Number	Short title	Date	Sponsor	Status
<b>H.R. 1221</b>	<b><i>Gasoline Price Stabilization Act of 2003</i></b>	March 12	Peter Defazio (D/OR)	Referred to the Committees on Energy and Commerce, International Relations, Ways and Means, and Resources
	<p>Authorizes the deposit and use of proceeds from the sale of petroleum drawn down to be deposited in the Strategic Petroleum Reserve (SPR) Petroleum Account. When price of crude oil barrel exceeds \$25 for more than 14 days, Department of Energy shall submit to Congress a report listing causes and consequences of price increase, provide estimate of likely duration of price increase, present effects of price increase on gasoline cost at wholesale and retail levels,, and state Presidential decision for or against supporting drawdown and distribution of a specified amount of oil from SPR.</p> <p>GAO shall conduct study and submit to Congress a review of drawdown authority with respect to SPR, addressing how and why authority has changed over time, circumstances in which Presidents have exercised authority, impact on oil prices as result of exercising authority, and implications of expanding drawdown authority beyond 'severe energy supply interruption' standard.</p>			
<b>H.R. 1183</b>	<b><i>Coastal Zone Renewable Energy Promotion Act of 2003</i></b>	March 11	William Delahunt (D/MA)	Referred to the Committee on Resources
	<p><b><i>Amends Coastal Zone Management Act of 1972, to facilitate location of renewable energy facilities in the marine environment.</i></b></p> <ul style="list-style-type: none"> <li>➤ <b>Department of Commerce (DOC) shall identify priority locations for renewable energy facilities in coastal zone in consultation with the Office of Energy Efficiency and Renewable Energy, National Renewable Energy Laboratory, Coast Guard, EPA, affected coastal states and other public and private institutions and companies with relevant expertise.</b></li> <li>➤ <b>DOC shall assess</b> <ol style="list-style-type: none"> <li>1) Cumulative impacts of multiple renewable energy facilities</li> <li>2) Need for energy produced by renewable energy facilities</li> </ol> </li> <li>➤ <b>When evaluating renewable facility applications, DOC shall evaluate and consider amount of energy proposed project will produce, economic impact to region where facility will be located, environmental impacts of proposed facility, displacement of competing uses of proposed site and other relevant factors to determine which proposed project best serves the public interest.</b></li> </ul>			

Number	Short title	Date	Sponsor	Status
	➤ Provisions shall be imposed within 12 months after date of enactment.			
<b>H.R. 1271</b> (See also S. 507, published in March 12 INSIGHT S)	<b><i>Efficient Energy through Certified Technologies (EFFECT) Act of 2003</i></b>	March 13	Randall Cunningham (R/CA)	Referred to the Committee on Ways and Means
	<p>Amends <i>Internal Revenue Code of 1986</i>, to provide incentives to introduce new technologies to reduce energy consumption in buildings.</p> <p>➤ Provides the following credits for businesses:</p> <ul style="list-style-type: none"> <li>➤ \$1.00 per each kWh/year of savings for solar hot water property</li> <li>➤ \$4.50 per peak watt of photovoltaic property</li> <li>➤ \$150 for advanced main air circulating fan</li> <li>➤ \$900 for Tier 2 energy-efficient building property</li> <li>➤ \$450 for Tier 1 energy-efficient building property (other than an advanced main air circulating fan)</li> </ul> <p>➤ Provides energy efficiency residential rental building property deductions not to exceed \$600 for a 30% property (property which reduces total annual energy and power costs with respect to heating and cooling of buildings by at least 30 percent) or \$1,500 for a 50 % property.</p> <p>➤ Provides new energy efficient home credit not to exceed \$600 for 30% home (average annual energy cost to the homeowner, which is at least 30 percent less than the annual level of heating and cooling energy consumption of the standard design reference home), or \$2,000 for a 50% home.</p> <p>➤ Provides for nonbusiness energy property credit of \$200 for 30% property and \$500 for 50% property. Provides 35 per each kWh/year of savings for elected solar hot water property and \$1.50 per peak watt for photovoltaic property.</p> <p>➤ Provides the following credits for highly energy-efficient principal residences:</p> <ul style="list-style-type: none"> <li>➤ \$300 for Tier 2 energy-efficient building property.</li> <li>➤ \$50 for advanced main air circulating fan.</li> <li>➤ \$150 for Tier 1 energy-efficient building property (other than advanced main air circulating fan).</li> <li>➤ \$1,000 for solar hot water property.</li> <li>➤ \$6,000 for photovoltaic property.</li> </ul>			



Number	Short title	Date	Sponsor	Status																						
H.R. 1272	<i>Energy Markets Fraud Prevention and Consumer Protection Act of 2003</i>	March 13	John Dingell (D/MI)	Referred to the Committee on Energy and Commerce																						
	Prohibits fraudulent, manipulative, or deceptive acts in electric and natural gas markets, increases penalties for illegal acts under the <i>Federal Power Act</i> and <i>Natural Gas Act</i> , and expands authority of the Federal Energy Regulatory Commission (FERC) to order refunds of unjust and discriminatory rates, among other provisions.																									
	<ul style="list-style-type: none"><li>➤ FERC shall review, on annual basis, activities of utilities selling electric energy at market-based rates to determine whether such rates are just and reasonable.</li><li>➤ FERC shall issue an order of modification or revocation of sale if FERC finds rates charged by public utilities authorized to sell electric energy at market-based rates is unjust, unreasonable, unduly discriminatory or preferential, or a public utility has engaged in an activity violating any other rule, tariff, or order.</li></ul>																									
H.R. 1279	No Short Title	March 13	Kenny Hulshof (R/MO)	Referred to the Committees on Ways and Means and Agriculture																						
	Amends <i>Internal Revenue Code of 1986</i> , to provide tax incentives for use of biodiesel as a fuel.																									
	<ul style="list-style-type: none"><li>➤ Provides biodiesel mixture credit for amount equal to biodiesel mixture rate (1 cent for each whole percentage point (not exceeding 20 percentage points)) for each gallon of biodiesel used in production of a qualified biodiesel mixture.</li><li>➤ Provides for reduction of motor fuel excise taxes on bio diesel mixtures.</li></ul>																									
H.R. 1294	No Short Title	March 13	Mark Udall (D/CO)	Referred to the Committee on Energy and Commerce																						
	<b>Amends Title VI of the <i>Public Utility Regulatory Policies Act of 1978</i>, to establish a Federal renewable energy portfolio standard for certain retail electric utilities.</b>																									
	<ul style="list-style-type: none"><li>➤ Effective in 2005, each retail electric supplier shall submit to DOE, renewable energy credits in amount equal to required annual percentage listed in following table:</li></ul>																									
	<table><tr><th>Required annual percentage</th><th>Calendar Year</th></tr><tr><td>1</td><td>2006</td></tr><tr><td>2</td><td>2007</td></tr><tr><td>3</td><td>2008</td></tr><tr><td>4</td><td>2009</td></tr><tr><td>5</td><td>2010</td></tr><tr><td>6</td><td>2011</td></tr><tr><td>7</td><td>2012</td></tr><tr><td>8</td><td>2013</td></tr><tr><td>9</td><td>2014</td></tr><tr><td>10</td><td>2015</td></tr></table>				Required annual percentage	Calendar Year	1	2006	2	2007	3	2008	4	2009	5	2010	6	2011	7	2012	8	2013	9	2014	10	2015
Required annual percentage	Calendar Year																									
1	2006																									
2	2007																									
3	2008																									
4	2009																									
5	2010																									
6	2011																									
7	2012																									
8	2013																									
9	2014																									
10	2015																									



Number	Short title	Date	Sponsor	Status
		11		2016
		12		2017
		13		2018
		14		2019
		15		2020
		16		2021
		17		2022
		18		2023
		19		2024
		20		2025

- DOE shall issue two renewable energy credits for each kilowatt hour of electric energy generated and supplied to grid in that calendar year through use of a renewable energy resource at an eligible facility located on Indian land.
- For electric energy generated by a renewable energy resource at an on-site eligible facility used to offset part or all of the customer's requirements for electric energy, DOE shall issue three renewable energy credits for each kilowatt hour generated.
- Renewable energy credits may be sold, transferred, or exchanged by the entity to whom issued or by any other entity who acquires the renewable energy credit.
- DOE shall offer renewable energy credits for sale at the lesser of 3 cents per kilowatt-hour or 200% of the average market value of renewable credits for the applicable compliance period.
- DOE may collect information necessary to verify and audit annual electric energy generation and renewable energy generation of any entity applying for renewable energy credits, validity of renewable energy credits submitted by a retail electric supplier to DOE, and quantity of electricity sales of all retail electric suppliers.
- *DOE shall encourage Federally-owned utilities, municipally-owned utilities, and rural electric cooperatives to participate in the renewable portfolio standard program.*
- DOE shall conduct an evaluation of all aspects of the Renewable Portfolio Standard program within 10 years of enactment. Study shall include evaluation of program effectiveness in increasing market penetration and lowering cost of renewable technologies; opportunities for additional technologies emerging since enactment; impact on regional diversity and reliability of supply sources, including distributed generation; regional resource development; and net cost/benefit of the renewable portfolio standard to national and state economies. Recommendations for modifications and improvements to program must be submitted to Congress by January 1, 2012.
- Establishes by December 31, 2005, state renewable energy account program in which all money collected from sale of renewable energy credits shall be deposited into state renewable energy account. Grants shall be provided to state agency responsible for developing energy conservation plans to promote renewable energy production and provide energy assistance and weatherization services to low-income consumers.

Number	Short title	Date	Sponsor	Status
	75 percent of funds provided to each state shall be used for promoting renewable energy production. Provision expires on December 31, 2035.			
<b>H.R. 1299</b>	<b><i>Hydrogen Fuel Act of 2003 or Hydrogen Act</i></b>	March 17	Sherwood Boehlert (R/NY)	Referred to the Committee on Science
	<p><b><i>Amends Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990.</i></b></p> <ul style="list-style-type: none"> <li>➤ DOE may prepare comprehensive interagency coordination plan for research, development, and demonstration programs and activities under this Act, to be submitted to Congress within 1 year of enactment.</li> <li>➤ DOE shall conduct R&amp;D program for hydrogen infrastructure; fuel cells; and hydrogen codes, standards, and safety protocols. Programs shall enable a decision by automakers not later than 2015 to offer affordable and technically viable hydrogen fuel cell vehicles; enable production and delivery to consumers of model year 2020 hydrogen fuel cell vehicles that will have a range of at least 300 miles; fuel economy that is 2- 1/2 times the equivalent fuel economy of comparable light duty vehicles in model year 2003; and zero or near zero emissions of pollutants.</li> <li>➤ R&amp;D program for hydrogen infrastructure may include safe and convenient refueling; activities leading to widespread availability of hydrogen from domestic energy sources through production; delivery, including transmission by pipeline and other distribution methods for hydrogen; and storage, including storage in surface transportation vehicles.</li> <li>➤ R&amp;D program for fuel cells may include safe, economical, and environmentally sound hydrogen fuel cell, and fuel cell for light duty vehicles and other vehicles.</li> <li>➤ DOE shall survey private sector hydrogen energy R&amp;D activities worldwide and avoid duplication or displacement of other R&amp;D programs and activities. DOE shall require commitment from non-Federal sources of at least 20% of research and development cost.</li> <li>➤ In partnership with private sector and DOT, DOE may conduct demonstration program for hydrogen infrastructure; fuel cells and fuel cell technologies, including hydrogen-powered fuel cell vehicles; and hydrogen codes, standards, and safety protocols. DOE shall require commitment from non-Federal sources of at least 50% of demonstration cost.</li> <li>➤ DOE may conduct a program to transfer technology to private sector.</li> <li>➤ Interagency task force shall be established comprised of representatives from DOE, DOD, DOC, and EPA, among others, to coordinate plan to develop safe, economical, and environmentally sound hydrogen infrastructure; uniform hydrogen codes, standards, and safety protocols; <b>fuel cells in government applications</b>, including portable, stationary, and transportation applications; and vehicle hydrogen fuel system integrity safety performance.</li> <li>➤ Interagency task force shall coordinate interagency programs and activities including workshops, publications, conferences, and database for use by public and private sectors.</li> </ul>			

Number	Short title	Date	Sponsor	Status
	<p>Task force shall foster exchange of information and technology among industry, academia, and government; update inventory and assessment of hydrogen, fuel cells, and other advanced technologies, including commercial capability of each technology for economic and environmentally safe production, distribution, delivery, storage, and use of hydrogen; promote marketplace introduction of infrastructure for hydrogen-powered fuel cell vehicles; and conduct education program to provide hydrogen and fuel cell information to potential end-users.</p> <ul style="list-style-type: none"> <li>➤ Hydrogen Technical and Fuel Cell Advisory Committee shall advise DOE on programs and activities enacted through this Act including, safety, economical, environmental, and other consequences of technologies for production, distribution, delivery, storage, or use of hydrogen and fuel cells.</li> <li>➤ Within 2 years of enactment of Act, and every 4 years thereafter, National Academy of Sciences shall review progress made through programs and activities authorized under this Act and shall report to Congress.</li> <li>➤ Repeals <i>The Hydrogen Future Act of 1996</i>.</li> <li>➤ Authorizes \$1,223,000,000 for FY 2003 through 2008.</li> </ul>			
<b>H.R. 1346</b>	<b>No Short Title</b>	March 19	Michael Turner (R/OH)	Referred to the Committee on Government Reform
	<b>Amends <i>Office of Federal Procurement Policy Act</i> to encourage Federal procurement policies that enhance energy efficiency of Federal Government and decrease government's dependency on non-renewable energy resources.</b>			

## SENATE

Number	Short title	Date	Sponsor	Status
<b>S. 587</b>	<b><i>Hydrogen Transportation Wins Over Growing Reliance on Oil (H2 GROW) Act</i></b>	March 11	Ronald Wyden (D/OR)	Referred to the Committee on Finance
	<b>TITLE I--HYDROGEN FUEL CELL VEHICLES</b>			
	<ul style="list-style-type: none"> <li>➤ Provides fuel cell vehicle credit for vehicles placed in service before 2010, the lesser of 25% of retail sale price of fuel cell motor vehicle, or \$50,000; for vehicles placed in service after 2009 and before 2012, the lesser of 15 percent of the retail sale price of such fuel cell motor vehicle, or \$25,000, and for vehicles placed in service after 2012, the lesser of 5 percent of the retail sale price of fuel cell motor vehicle, or \$10,000.</li> <li>➤ New passenger automobile or light truck qualified fuel cell motor vehicles credit shall be increased by \$1,000 to \$5,000, based on percentage of 2000 model year fuel economy achieved.</li> </ul>			

Number	Short title	Date	Sponsor	Status															
	<p>➤ <b>DOE shall establish minimum Federal fleet requirements requiring that hydrogen fuel cell vehicles meet standards for performance, reliability, cost, and maintenance:</b></p> <table><tr><th>Fleet Size</th><th>Fiscal Year</th><th>Percentage</th></tr><tr><td>100 or more</td><td>2006, 2007</td><td>5</td></tr><tr><td>100 or more</td><td>2008, 2009</td><td>10</td></tr><tr><td>100 or more</td><td>2010, 2011</td><td>20</td></tr><tr><td>50 or more</td><td>2012, 2013</td><td>20</td></tr></table> <p>➤ Establishes goal to replace reliance on 30 million barrels of foreign oil through use of hydrogen powered fuel cells by December 31, 2012.</p> <p>➤ Department of Transportation (DOT) shall establish advisory commission to advise Congress on commercialization of fuel cell motor vehicles and achievement of above goal, including recommendations for uniform industry codes and standards for fuel cell motor vehicles and hydrogen fueling equipment, process for developing codes and standards, and identifying impediments to goals.</p> <p><b>TITLE II--HYDROGEN FUEL</b></p> <p>➤ Provides credit for retail sale of hydrogen fuel as motor vehicle fuel an amount equal to the greater of 20% of the price of hydrogen, or 50 cents for each quantity of hydrogen having a Btu content of 115,000 sold.</p> <p>➤ Provides credit for production of hydrogen fuel an amount equal to \$10 multiplied by each quantity of hydrogen having a Btu content of 5,800,000. Hydrogen produced from a renewable source shall receive credit substituting \$20 for \$10.</p> <p>➤ Establishes tax holiday for hydrogen fuel for December 31, 2002 to January 1, 2014.</p> <p>➤ Provides credit for use of ethanol or renewable motor fuel to produce hydrogen fuel an amount equal to 50% of amount paid or incurred by taxpayer for qualified hydrogen fuel cell vehicle refueling property and the installation.</p> <p><b>TITLE III--HYDROGEN FUELING INFRASTRUCTURE</b></p> <p>➤ Provides credit for installation of hydrogen fueling stations.</p> <p>➤ Provides deduction for refueling use of hydrogen fuel cells.</p>				Fleet Size	Fiscal Year	Percentage	100 or more	2006, 2007	5	100 or more	2008, 2009	10	100 or more	2010, 2011	20	50 or more	2012, 2013	20
Fleet Size	Fiscal Year	Percentage																	
100 or more	2006, 2007	5																	
100 or more	2008, 2009	10																	
100 or more	2010, 2011	20																	
50 or more	2012, 2013	20																	

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## V. ADMINISTRATION INITIATIVES

*There are no initiatives of interest to report.*

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## VI. HEARINGS SCHEDULE

### HOUSE – COMMITTEE ON APPROPRIATIONS

*No hearings of interest have been scheduled.*

### HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
<b>March 25 –</b>  Committee on the Budget	Jim Nussle (R/IA)	<b>Hearing –</b>  FY 2004 Budget Request	Douglas Holtz-Eakin, Director, Congressional Budget Office	1:00 p.m. Room 210 Cannon Office Building

**(NEW)**

### CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

*No new activities of interest have been scheduled.*

### SENATE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
<b>March 26 –</b>  Subcommittee on Defense	Ted Stevens (R/AK)	<b>Hearing –</b>  FY 2004 Budget Request for the Department of the Air Force (may include discussion on buildings and facility projects)	TBA	10:00 a.m. Room 192 Dirksen Office Building

**(NEW)**

<b>March 26 –</b>  Subcommittee on Transportation, Treasury, and General Government	Richard Shelby (R/AL)	<b>Hearing –</b>  FY 2004 Budget Request for the Department of the Treasury (may include discussion of buildings and facility projects)	TBA	10:00 a.m. Room 138 Dirksen Office Building
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**(NEW)**

<b>March 27 –</b>  Subcommittee on Transportation, Treasury, and General	Christopher Bond (R/MO)	<b>Hearing –</b>  FY 2004 Budget Request for the National Aeronautics and Space Administration (may include discussion of buildings and facility projects)	TBA	10:00 a.m. Room 124 Dirksen Office Building
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Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
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Government

*(NEW)*

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## SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
<i>March 27 –</i>  Committee on Energy and Natural Resources	Pete Dominici (R/NM)	<i>Hearing –</i>  <b>Discussion focusing on S.475, the Electric Transmission and Reliability Enhancement Act of 2003 and reforming the nation's outdated laws relating to electric industry, improving operation of transmission system, enhance reliability of electric grid, increasing consumer benefits from electric competition, and restoring investor confidence in the electric industry</b>	TBA	9:30 a.m. Room 106 Dirksen Office Building

*(NEW)*

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## CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

*No new activities of interest have been scheduled.*

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